GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:840
ANSWERED ON:22.11.2002
PROSECUTION LAUNCHED AGAINST COMPANIES
ADHIR RANJAN CHOWDHURY;BALIRAM;PRAVEEN RASHTRAPAL;SHYAMA SINGH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Department of Company Affairs has recently launched prosecution against several companies under the Indian Companies Act, 1956;

(b) if so, the details thereof, company-wise;

(c) whether the said companies have been found violating the provisions of the Indian Companies Act, 1956 under Section 408 of the Act and

(d) if so the facts thereof and action taken against such companies?

Answer

MINISTER OF FINANCE & COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a) & (b) Yes, Sir. During the period from 01-04-2001 to 31-03-2002, 8334 prosecutions were launched against 1964 companies and their officers in default.

(c) & (d) Section 408 of the Companies Act, 1956 empowers the Central Government to prevent oppression and mismanagement by appointing, with the approval of Company Law Board, directors on the Board of a company.No violation under this Section has been reported during the year 2001-02.